

# Conference

## *Local Government at a Glance*

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### 1. Introduction

The conference *Local Government at a Glance* was held within the frame of the COST Action Local Public Sector Reforms (LocRef). It was held in the Centre for Advanced Academic Studies (CAAS) of the University of Zagreb, situated in Dubrovnik, on 5–6 May 2015. Almost 100 scholars from 27 European countries covering a wide variety of disciplines met to discuss challenges and reforms of the local public sector. The conference was organized by Professor Ivan Koprić (Faculty of Law of the University of Zagreb and Institute of Public Administration, Zagreb, Croatia), Professor Sabine Kuhlmann, and Christian Schwab (Chair of Political Science, Public Administration and Organization II, University of Potsdam, Germany).

The event provided a platform for exchanging scientific experience and presentation of the latest research results as well as for preparing projects, publications, and research projects proposals. The conference is part of the four-year research project COST (European Cooperation in Science and Technology) Action – Local Public Sector Reforms: An International Comparison (LocRef), which will receive an estimated budget of €700,000 from the European Framework Program for Research and Innovation, Horizon 2020. The project is headed by professors Sabine Kuhlmann (University of Potsdam) and Geert Bouckaert (KU Leuven) and managed/coordinated by Christian Schwab (University of Potsdam). The success of the conference may also be quantified on the basis of its substantial contributions: more than 70 papers, book chapters, presentations and research outlines were uploaded to the project's homepage (<http://www.uni-potsdam.de/cost-locref/>).

## 2. The Project's Conceptual Approach

The starting point of the project was the realization that in European political sciences as well as in public administration studies, there has been remarkably little comparative research on reforms at the local level. Fragmented databases, the focus on single case studies and partly significant language barriers impede comparative studies. In consequence, the aim of the COST Action is to minimize any obstacles and to create a platform for comparative knowledge on local sector reforms.

The main objective is to answer the questions: Which approaches and effects of local public sector reform can be identified from an international comparative perspective? How can these be explained and what lessons can be drawn for policy-making?

In the past first two years of the Action, the researchers have focused on the question of which reforms have been implemented and what was their degree of intensity; in the upcoming year, they will focus on reform effects and their results. Another aim of the COST Action is to support the international exchange of young scientists. This is implemented by organising conference attendances, short-term visits to partner institutions (so-called Short Term Scientific Missions, STSM) as well as participation in PhD Training Schools (this year on the beautiful island of Spetses, Greece, 13–17 September 2015).

The network is divided into four working groups (WGs), which work on their respective research focus:

- WG I (External [Post-]NPM) analyses the relationship of public and private service provision regarding reform approaches inspired by the New Public Management (NPM) in different local fields. 'Post'-NPM signifies here that recent trends, especially questions concerning 're-municipalisation' of previously 'private' public tasks, are to be assessed. WG I is headed by professors Ivan Koprić (Chair, University of Zagreb, Croatia), Hellmut Wollmann (Co-Chair, Humboldt University, Berlin, Germany) and Gérard Marcou (Co-Chair, Sorbonne-Panthéon University I of Paris, France).
- WG II (Internal [Post-]NPM) scrutinizes the internal modernization of local public administrations. 'Classic' topics such as management by objectives/target steering, performance management, performance-orientated pay, internal re-organization processes, and budgeting and accounting systems are being looked at as well

as more recent ('Post-NPM') developments, e.g. the dismantling of performance measurement systems in some countries or new developments regarding Human Resource Management. WG II is led by professors Riccardo Mussari (Chair, University of Siena, Italy), Emil Turc (Co-Chair, University of Aix-Marseille, France) and Hilde Bjørnæ (Co-Chair, University of Tromsø, Norway).

- WG III (Territorial/Functional Re-Scaling) is concerned with the topics of territorial reforms, inter-municipal cooperation, and functional reforms. The functional and the territorial dimension are equal objects of research of WG III as there is a close relationship between territorial consolidation and functional decentralization. Professor Nikos Hlepas (Chair, University of Athens, Greece) leads WG III together with professors Ellen Wayenberg (Co-Chair, University of Ghent, Belgium) and Reto Steiner (Co-Chair, University of Bern, Switzerland).
- WG IV (Democratic Renewal) examines reforms of local democracy regarding the introduction of instruments of direct democracy and participation. Specific topics are public forums, local referenda, direct election of local elected officials, consultations, youth councils/citizens' councils, and e-democracy. WG IV is led by professors Colin Copus (Chair, University of Leicester, United Kingdom), Anders Lidström (Co-Chair, University of Umeå, Sweden) and Bas Denters (Co-Chair, University of Twente, the Netherlands).

### 3. Working Groups' Activities in Dubrovnik

In addition to the general themes assigned to all the WGs, each WG had specified topic areas on the agenda depending on their respective methodological/conceptual focus. Before the meetings of individual WGs (six parallel sessions in two days) started, the local organizer, Professor Ivan Koprić (University of Zagreb, Faculty of Law), welcomed the participants together with Professor Sabine Kuhlmann (University of Potsdam, chair of the Action). Professor Koprić delivered an opening keynote speech expanding on 'experiences, problems, and prospects of local governments in the Western Balkan region'. The second keynote speech was delivered by Boris Milošević (Croatian Assistant Minister of Public Administration), focusing on 'problems of regionalization in Croatia'. Concluding

the opening plenary session, professors Hubert Heinelt (University of Darmstadt, Germany) and Annick Magnier (University of Florence, Italy) presented the contents and progress of the joint COST-POLLEADER survey project 'The European Mayor and Local Public Sector Reforms' to the audience. Inspired by these presentations, WGs started their work, and their results are concisely outlined in the following sections.

### *Working Group I*

In order to analyse the 'external' (re)organization of the public or rather the municipal sector, WG I examines the institutionalization of public infrastructure services (e.g. in Germany, the so-called 'Daseinsvorsorge'; including water and energy supply, waste disposal, public transport, etc.) as well as social services (such as day care, youth welfare, council housing) in European countries. The studies aim to record institutional changes regarding public and social services over time, especially administrative modernization inspired by 'neo-liberal' policy concepts and the New Public Management since the 1980s – when there was a shift (mainly) from the public/municipal sector to the private sector. Focusing on the most recent developments, the questions of predominant interest here are whether, in which areas, to what extent, and why 're-municipalisation' of public and social services can be found.

At the conference in Dubrovnik, several written contributions were provided and discussed in order to finalize the first book of WG I, with the working title 'Reforming Local Service Delivery in Europe: From Privatization to Re-municipalisation?' edited by Hellmut Wollmann, Ivan Koprić and Gérard Marcou (to be published in 2016 in the Palgrave 'Governance and Public Management' series). Some of the chapters in this book deal with developments and the status quo of infrastructural and social services in individual countries, others are in-depth 'policy area reports' on specific services (e.g. water supply). Some are comparing countries and others are 'cross-cutting papers' with comprehensive topics (such as the effects of EU standards on municipal service provision). The range of countries examined by WG I participants included not only 'old' EU member states and Central Eastern European EU accession countries but also Turkey, Israel, Russia, and China. Several papers will be published in a special issue of the journal *Croatian and Comparative Public Administration* in autumn 2015.

As the contributions have revealed, this exceptionally wide and diverse sample of countries offers a promising potential for analysis and comparison. On the one hand, it allows examining institutional changes triggered

by neo-liberal policy change and market liberalization, especially the different varieties of ‘material’, organizational, and functional ‘privatization’, against the backdrop of individual ‘starting conditions’ in the 1980s and 1990s respectively. On the other hand, this wide range of countries opens up possibilities of analysis; to pursue the question, whether, to what extent, and why there are different tendencies towards ‘re-municipalisation’ in individual country-specific or policy area specific contexts. However, the papers contributed in Dubrovnik also show that the abundance of relevant information and research results still lack extensive, comparative, systemic and general statements and interpretations.

This is especially true when it comes to evaluative questions (‘does it make a difference’). For this reason, WG I has recently published a call for contributions to their second book on ‘Evaluation Studies about Local Public Service Delivery Reforms (working title)’ (edited by Ivan Koprić, Hellmut Wollmann and Gérard Marcou). In October 2015, WG I will meet (just as all the other WGs) at a workshop organized by Professor Yüksel Demirkaya at Marmara University, Istanbul, Turkey. The working session in Istanbul serves the purpose of discussing the versions of the written contributions provided so far, and of fostering the second WGI book publication. The book is also expected to be published by Palgrave, ‘Governance and Public Management’ series.

### *Working Group II*

WG II is focused on answering questions about the scope and scale of implementation of internal administrative reforms and on delivering explanations for variations, reform drivers and actors, as well as on the evaluation of effects of management-oriented reforms at the local level in Europe. In Dubrovnik, 20 members of WG II from 14 countries discussed and presented their recent research on the common ‘long-term research projects’ of the WG.

For those long-term research projects, 11 focus topics have been identified which will set the agenda for the next two years. These topics are: ‘New Strategies, Mission, Policies’, ‘Performance Management’, ‘Internal Control, Finance, Accounting, Fiscal Reform’, ‘Benchmarking and Evaluation’, ‘Restructuring, Internal Reorganization, Territorialisation, Recentralization’, ‘Reengineering Streamlining, Rationalization, Cost-Reduction, Lean Management’, ‘Redesign, One-Stop-Shops, Process Innovation’, ‘Open Government: The Insiders’ View’, ‘Customer Focus, Co-Production, Co-Design, Co-Evaluation’, ‘Modern HRM, Values, Ethics, Informal Organization Features’, and ‘Performance-Related Pay’.

Some of the projects had already materialized substantial output that was presented in Dubrovnik. For example, one research group broached the subject of different aspects of reforms of internal administration structures and management changes in European local government – flat vs. steep hierarchies, political vs. administrative management types or aspects of inter-organizational and intra-organizational coordination. This quickly revealed that there is a wide variation concerning these reform areas among individual European countries. While there is a wide variation of reforms in Germany due to its federalist system, there is naturally less variation in Norway. In the latter case, the focus lies on a fundamental change of the municipalities' organizational structures and, simultaneously, a continuous externalization of municipal tasks. Contrarily, Hungary deals with the consequences of national re-centralization policies, which withdrew a multitude of tasks from the municipalities and hence led to them occasionally being called 'empty nests'. Accordingly, Hungary is primarily interesting from the perspective of the administrative sciences when one is studying organizational reactions which followed these measures or which are supposed to be following them.

Another team of researchers scrutinizes performance budgeting in local governments in 10 European countries. The researchers address the extent to which performance information is incorporated in 'good practice' by European local governments. The current output of this group will be presented at the annual conference of the European Group for Public Administration (EGPA) in Toulouse, France, in August 2015. At the same conference, the research team focusing on 'Joined-up local governments? Restructuring and reorganizing internal management' will also present intermediate results.

Other long-term projects that were discussed focused on 'cutback strategies in European local governments: between cuts and rationalization', 'benchmarking management approaches for public services based on performance criteria' and 'strategic planning in local public administration: a tool for public management reform'.

The WG will meet again at Marmara University, Istanbul, in order to pursue the planned projects. The publication strategy of WG II aims first and foremost to publish individual articles in peer-reviewed journals. All results of the long-term research projects will also be published in a volume in the Palgrave 'Governance and Public Management' series (edited by Hilde Bjørnæ, Riccardo Mussari, and Emil Turc).

### *Working Group III*

There are three main topics on the agenda of WG III: developments in the area of municipal territorial reforms; debates about inter-municipal cooperation as an alternative to and extension of territorial reforms; and the delegation of tasks to local units due to decentralization. The variation of European local structures and their specific reform approaches were reflected in the presentations of the respective countries.

In all countries, the debates about territorial reforms and/or inter-municipal cooperation reveal the intention to create large-scale local structures or to use cooperation as functional equivalents. However, while the Netherlands is already discussing a minimum municipality size of 100,000 inhabitants, other countries, such as Slovakia, limit themselves primarily to the strategies of increased inter-municipal cooperation while keeping small-scale municipality structures. Differences regarding territorial profiles may generally be ascribed to specific actor constellations and the status of municipalities in the administrative macro-system of the respective country. At the same time, it has become evident that territorial reforms and inter-municipal cooperation efforts are not exclusive but are often combined. This may be exemplified by the Portuguese case, where units at the local level have been fused and at the same time inter-municipal cooperation has been expanded in order to transfer further state tasks to inter-municipal units.

Furthermore, the evaluation of group-internal expert surveys showed that countries with large municipal territorial structures do not use inter-municipal cooperation to a lesser extent than countries with small municipal units. Moreover, experiences of individual countries with functional reforms demonstrated that an unchecked delegation of tasks without considering municipal performance capabilities and without the respective task specifications does not meet the expectations of decentralization processes. Decentralization often leads to inter-municipal cooperation, such as in the case of Iceland, which suggests that individual local units do not have the necessary size to execute tasks to an extent sufficient to generate the requisite case numbers.

Consequently, the WG III workshops in Dubrovnik dealt with two major topics: 'inter-municipal cooperation' and 'sub-municipal entities, re-scaling of functions and territories'. WG III therefore plans to publish special issues of two relevant journals: *Local Government Studies* (LGS) and *International Review of Administrative Sciences* (IRAS), in 2016 and 2017 respectively. Future research and work of WG III in the area of territori-

al and functional reforms will additionally concentrate on reform effects in an international comparison in order to generate application-oriented results that may be applied in practice. This aspect, together with the further work on the special issue contributions, will be deepened at the next meeting of WG III in Istanbul in October 2015.

#### *Working Group IV*

WG IV studies and evaluates local democracy reforms in Europe. The focuses of its research are political structures and processes of representative and direct democracy, and civic commitment and developments of participatory democracy. These reforms and their different characteristics are analysed from a comparative perspective. Furthermore, the extent of reform effects of local democracy are to be analysed and the most important institutional and procedural reform contents are to be identified. For example, the WG discussed how post-socialist systems manage the transition to democracy and the effects it has on civic commitment, the creation of a new political culture or the general perception of the state's activities. However, new developments in 'established' democracies were also discussed. For example, Sweden has merely had a marginal introduction of forms of participation such as non-binding referenda. In contrast, in other Western European countries democratic renewals have been more profound, as the comprehensive direct election of mayors exemplifies.

At Dubrovnik, the WG IV agenda was fourfold. First, the availability of different data sets on democratic renewal was discussed (dataset review), especially with regard to its applicability to WG IV's research and the conduct of an expert survey on 'comparing democratic renewal in European local government: giving citizens more say in local government'? The second session was dedicated to the topic of 'political leadership, accountability and representative democracy', followed by a session on 'the big society and democratic renewal', where the implications for local leadership and participatory initiatives in general were discussed. More specific topics like 'participatory budgeting at the local level', were also on the agenda. In the final session, the focus shifted to the effects of direct and indirect election of the local political leader in presidential and semi-presidential systems. WG IV will publish a book exploring the direction, rationale, mechanisms, policy implications, and arguments behind democratic renewal in Europe, to be published by Palgrave. Further, a journal special issue on democratic renewal is in preparation.



### 3. LocRef Projects: POLLEADER and Local Authority Index (LAI)

During the first day of the conference, two meetings took place dealing with projects that are directly linked to the common 'LocRef' cause.

(1) POLLEADER-COST (Political Leaders in European Cities) is a survey project coordinated by the University of Florence and carried out in 29 European countries. The project deals with the career and the interpretation of the role of the European mayor, and on the mayors' choices in local policies. In this context, a questionnaire was sent to all mayors in charge of municipalities with over 10,000 inhabitants in the participating 29 European countries. The implementation of the survey started in 2014 and finished in 2015, hence the survey results will be evaluated within cross-country research groups from 2015 onwards. The project is based on the first round of the survey 'Political Leaders in European Cities', that was developed more than ten years ago. The questionnaire is accessible via the download section of the 'LocRef' homepage <http://www.uni-potsdam.de/cost-locref/>. The results of the survey project will be published by Palgrave in the 'Governance and Public Management' series with the (working) title: 'The European Mayor II: Political Leaders in the Changing Context of Local Democracy', edited by Hubert Heinelt, Annick Magnier, and Herwig Reynard (to be published in 2016).

The aim of the Local Authority Index (LAI) research project is to create an index that can be used to analyse and report changes in the degree of decentralization of the countries within the European Union. Variables used to construct the Local Authority Index are institutional depth, policy scope, fiscal autonomy, borrowing autonomy, organizational autonomy, and self-rule. The project leader is Professor Andreas Ladner of the Institut des hautes études en administration publique (IDHEAP), University of Lausanne (Switzerland) in close cooperation with Professor Harald Baldersheim of the University of Oslo (Norway). The countries observed in this study are all 28 EU member states together with the four EFTA countries (Norway, Iceland, Switzerland, and Liechtenstein). Additionally, Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Georgia, and Ukraine will also be included. The years to be covered are 1990 to 2014. The project is conducted in close cooperation with 'LocRef'. The experts taking part in the Action not only guarantee the quality of the data but also further use of the data in scientific research.

Relying on the COST 'LocRef' network, researchers will work with country group coordinators. The country group coordinators are responsible for the coding of the different countries assigned to their group. In most cases, they will be able to do it on their own, in some cases they may have to rely on country experts. Two experts from the COST Action serve as external inspectors for the country profiles and coding of the countries. A final meeting with presentation of the results will be organized within the framework of a future COST meeting.

#### 4. Authors' Meeting (day 2)

The first half of the second conference day was primarily dedicated to discussion of the 18 chapters of the 'Action level' book, *Local Public Sector Reforms in Times of Crisis: National Trajectories and International Comparisons*. The contributions to this book stem from the authors from all the WGs. The book is edited by Sabine Kuhlmann and Geert Bouckaert and will be published in 2016 by Palgrave in the 'Governance and Public Management' series. In two subsequent parallel sessions, the conference participants were free to choose which session to attend. Moreover, a discussant was assigned to each chapter. The discussants, in cooperation with the audience, gave fruitful comments on how to improve the individual chapters.

Content wise, the book focuses on key topics from each WG. Part I, which is thematically allocated at WG III, deals with the topic of 're-scaling local governance: amalgamation, cooperation, territorial consolidation'. For instance, the Norwegian team (Askim, Klausen, Vabo, and Bjurstrøm,) scrutinizes what causes municipal amalgamations reform, whereas the Dutch/Belgian team (Broekema, Steen, and Wayenberg) look for facilitators for municipal amalgamations. 'Does inter-municipal cooperation lead to territorial consolidation?' is a question discussed by another team (Franzke, Klimovský, and Pinterič). For their comparative study, the authors of this chapter compared three country cases (Germany, Slovenia, and Slovakia).

The second part of the book deals with topics related to WG II. The general topic is 'Managerial reforms: From Weberian bureaucracy to performance management'. Thematic example is the incentivization of public employees in performance-related pay systems in European local governments (Proeller, Meier, Vogel, Mussari, Casale, Turc, and Guenoun) with

subsections on performance appraisal and performance-related salaries. While there are individual bonus payments for people whose performance is being evaluated compulsorily in Italy, in France there is a (quite controversial) dual system of performance-related salaries. In this system, bonus payments are made when a person takes responsibility for certain tasks within the organizational unit as well as when certain targets are met. The German team (Schwab and Salm) has another approach to the reform area of human resource management. In scrutinizing 'best practice cities' in three European countries, they ask which approaches and effects of HRM reform can be identified in cities of (supposed) excellence; whether there are major commonalities or differences; and if there is a general reform trend from a cross-country comparative perspective.

Part III of the book deals with re-organizing local service delivery: from government to governance, i.e. it deals with institutional changes of the central-local relationship and competences of service delivery, exemplified within several policy fields. Those fields include, among others, the rescaling of planning power (Getimis), waste management (Torsteinsen and Van Genugten), social services (Wollmann) and childcare (Teles, Hlepas, Kettunen, Navarro, Richter, and MacCarthaigh). The last chapter asks, for example, how the crisis has affected local governments, which other factors had a role, and what kinds of change mechanisms can be identified. In other words, it explores the changes in childcare governance and discusses their consequences.

The last part (IV) of the book looks at local participatory reforms, political leaders, and citizens. The chapters in this part deal, among other topics, with deliberative participatory instruments (Kersting, Gasparikova, Krenjova, and Iglesias), direct election of mayors (Copus, Iglesias, Hacek, Illner, and Lidström), citizens' involvement (Vetter, Denters, Kersting, and Klimovský), the role of the councillors (Lidström, Baldersheim, Klimovsky Hlynsdóttir, Copus, and Kettunen), and the democratic reformation of local governments in times of crisis (Denters, Ladner, Mouritzen, and Rose). In the latter chapter, the questions of citizens' satisfaction with their municipality, their value orientations, and thoughts about what constitutes good local governance are addressed. Further, they give insight into the question whether citizens with different value priorities evaluate local democracy in their municipality in the same ways.

## 5. Summary and Outlook

The final plenary session of all WGs started with a panel discussion. Moderated by Professor Vedran Đulabić (University of Zagreb, Croatia), the main theme was 'Contested future of local government? Main challenges for cities and for comparative local government research'. Panel discussants were professors Bas Denters (University of Twente, the Netherlands), Geert Bouckaert (KU Leuven, Belgium), Angelika Vetter (University of Stuttgart, Germany), Carmen Navarro (University of Madrid, Spain), and Ivan Koprić (University of Zagreb, Croatia). The discussion focused on questions regarding evidence from research and comparison (e.g., is austerity a trigger or inhibitor of local government reforms?), policy implications (e.g., which strategies can local governments pursue to (re)gain autonomy and is this generally desirable?), and further research (do we need more collaboration/exchange between various disciplines?).

After the panel discussion, Professor Riccardo Mussari (University of Siena, Italy) looked back at the impressions and results of the past PhD Training School 'Re-thinking Politics, Management and Governance in the Post-NPM Era' held in Siena (29 September – 2 October 2014), where he was local organizer. In drawing the participants' attention to the future, Professor Nikos Hlepas (University of Athens, Greece) introduced the upcoming PhD Training School, 'Innovation in Local Government', which will take place on the wonderful island of Spetses near Athens (13–17 September 2015). As in the past two years, 25 students will have the opportunity to participate in this year's 'LocRef' Training School. The students will be supported with a grant for which they can officially apply.

Subsequent to the announcement of the next Training School, Professor Yüksel Demirkaya proudly introduced the next venue of the joint WG meetings of 'LocRef' participants: Marmara University in Istanbul. On 22–23 October 2015, all the Working Groups will meet there in order to foster their joint publication projects. The meeting will be preceded by the Strategic Public Management Symposium (SPMS, 20–21 October 2015). 'LocRef' members are kindly invited to participate.

The next 'LocRef' conference will take place at the Center of Competence for Public Management (KPM) at the University of Bern. From 31 March to 1 April, 'LocRef' researchers will meet in the Swiss capital city. The local organizer will be Professor Reto Steiner (University of Bern),

who already impressed the participants in Dubrovnik with a video from the venue.

Finally, Professor Sabine Kuhlmann (University of Potsdam) closed the conference and thanked all the participants for their fruitful contributions and discussions. She especially thanked the local organizer Professor Ivan Koprić and his team for the splendid organization of the conference. She also pointed to the very near future, when some of the researchers will meet at the annual EGPA (European Group for Public Administration) conference in Toulouse (26–28 August 2015), or at the joint meeting of all WGs at the latest.

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